

Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 COME-00 IO-13
TRSE-00 AGRE-00 SS-15 SP-02 STR-04 CIAE-00 INR-07
NSAE-00 H-01 L-03 CEA-01 OMB-01 AID-05 FRB-03
/096 W

-----003502 072155Z /66

P R 072100Z SEP 77
FM AMEMBASSY KINGSTON
TO SECSTATE WASHDC PRIORITY 7168
INFO AMEMBASSY ASUNCION
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BRIDGETOWN
AMEMBASSY BUENOS AIRES
AMEMBASSY CARA CAS
AMEMBASSY GEORGETOWN
AMEMBASSY GUATEMALA
AMEMBASSY LIMA
AMEMBASSY LA PAZ
AMEMBASSY MANAGUA
AMEMBASSY MEXICO CITY
AMEMBASSY PANAMA
AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT OF SPAIN
AMEMBASSY QUITO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY SANTO DOMINGO
AMEMBASSY TEGUCIGALPA
U.S. INTERESTS SECTION HAVANA 002
AMEMBASSY MANILA
AMEMBASSY BRUSSELS

C O N F I D E N T I A L KINGSTON 5269

BRUSSELS PASS TO U.S. REPRESENTATIVE TO EEC
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E. O. 11652: GDS
TAGS: ETRD, EAGR, JM
SUBJECT: GEPLACEA MEETING IN KINGSTON

1. EMBASSY POLOFF MET WITH LEWIS WILSON, DIRECTOR FOR
TRADE IN MFA SEPTEMBER 7 TO REVIEW RESULTS OF

RECENTLY CONCLUDED GEPLACEA MEETING IN KINGSTON. WILSON SAID THAT MEETINGS HAD GONE WELL FROM JAMAICA'S POINT OF VIEW. HE CHARACTERIZED TALKS AS HARD HEADED AND PRAGMATIC. AND EXPRESSED PERSONAL VIEW THAT THEY HAD PROVIDED GOOD GROUNDWORK FOR THE FORTHCOMING GENEVA ISA TALKS.

2. WILSON SAID THAT JAMAICA AND SEVERAL OF THE OTHER PARTICIPANTS HAD FINALLY AGREED TO DROP ITS PREFERENCE FOR A QUOTA SYSTEM AND ACCEPT THE FACT THAT, IF THERE IS TO BE AN ISA, IT WILL HAVE TO BE BASED ON A SURPLUS STOCK SYSTEM. THE PRINCIPAL CONCERN OF GEPLACEA REPRESENTATIVES HAS BEEN ON THE FINANCING OF SURPLUS STOCKS. " WE DO NOT YET KNOW," HE SAID, "WHO IS GOING TO PAY, WHETHER IT WILL BE PRODUCERS OR CONSUMERS, OR BOTH, AND TO WHAT DEGREE." WILSON POINTED OUT THE DIFFICULTIES OF A STOCK SYSTEM FOR SMALL PRODUCERS. HE SAID A CONSENSUS HAD DEVELOPED THAT THOSE NATIONS PRODUCING LESS THAN 100,000 TONS OF SUGAR ANNUALLY SHOULD NOT BE REQUIRED TO PARTICIPATE IN THE STOCK PROGRAM. WILSON NOTED THAT SOME COUNTRIES HAD ARGUED STRONGLY FOR AN EXCLUSION AT THE 150,000 TON LEVEL. IN ADDITION, HE NOTED, SOME MECHANISM WILL HAVE TO BE FOUND WHEREBY NATIONS marginally IN EXCESS OF THE LIMIT (I.E., THOSE EXPORTING 101,000 TONS) ARE NOT AFFECTED DISPROPORTIONATELY. CONFIDENTIAL

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3. ON PRICES, WILSON SAID THAT CUBA HAD LOBBIED FOR A HIGH NEGOTIATING PRICE BUT THAT A CONSENSUS DEVELOPED AROUND THE 13-23 CENTS PER POUND OUTER RANGE WITH A MIDDLE BAND OF "SOMETHING LIKE 16 TO 19 CENTS PER POUND." STOCKS WOULD BE USED TO TRY TO KEEP THE PRICE WITHIN THIS INNER BAND. WILSON NOTED THAT THE LOWER LIMITS OF THE BAND WERE SUBSTANTIATELY BELOW JAMAICA'S PRODUCTION COSTS (15 TO 16 CENTS PER POUND). WILSON ALSO SAID THAT THERE WAS AGREEMENT THAT FIXED TONNAGE LIMITS WOULD HAVE TO BE ESTABLISHED ON EXPORTS, INITIALLY FOR A TWO-YEAR PERIOD AND THEN SUBJECT TO ANNUAL REVIEW. IT WAS ALSO AGREED THAT TONNAGES WOULD NOT BE INCREASED OR DECREASED BY MORE THAN 15 PERCENT IN ANY ONE YEAR AFTER THE INITIAL TWO-YEAR PERIOD.

4. WILSON SAID THAT GEPLACEA HAD DECIDED TO COMMUNICATE ITS CONCERNS TO SECRETARY OF STATE VANCE ON THE QUESTION OF U.S. RESTRICTIVE LEGISLATION. HE STRESSED, HOWEVER, THAT THE SUGAR PRODUCERS ARE NOT AS CONCERNED OVER THE POSSIBILITY OF IMMEDIATE

CONGRESSIONAL ACTION ON SUGAR AS THEY ARE OVER THE CONSEQUENCES IN THE U.S. SHOULD THE GENEVA TALKS FAIL. WILSON SAID THE GROUP WOULD WANT TO INITIATE TALKS WITH THE U.S. IMMEDIATELY IF GENEVA FAILS TO PRODUCE AN ISA. HE SAID THERE IS CONSIDERABLE CONCERN WITHIN GEPLACEA THAT THE CONGRESS MAY FORCE INCREASED SUGAR BARRIERS IF GENEVA FAILS AND THE GEPLACEA WOULD LIKE THE OPPORTUNITY TO ADDRESS THE U.S. PROBLEM ON A HEMISPHERIC BASIS IN THIS EVENT.

5. WILSON STRESSED THAT JAMAICA, AND MOST GEPLACEA COUNTRIES DO NOT DOUBT U.S. SINCERITY IN STRIVING FOR AN ISA. HOWEVER, THERE ARE SERIOUS DOUBTS ABOUT THE EEC, WHICH PLAYED THE ROLE OF OBSERVERS IN LONDON, CONFIDENTIAL

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AND WHICH HAS SHOWN LITTLE INTEREST IN THE ISA. THIS EEC ATTITUDE CAUSED THE GEPLACEA CONFERENCE TO DELIVER AN AIDE MEMOIRE TO THE EEC COMPLAINING OF THE LATTERS DAMAGING ROLE.

6. ON CONCLUDING MEETING, WILSON EXPRESSED HOPE THAT U.S. DELEGATION IN GENEVA WILL BE PREPARED TO SHED MORE LIGHT ON STOCK FINANCING ARRANGEMENTS. LION

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Message Attributes

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Sent Date: 07-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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